

SPACE DEBRIS SYMPOSIUM (A6)
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THE IMPACT OF GROWING SPACE DEBRIS ON THIRD-PARTY-LIABILITY INSURANCE

Abstract

The current Space Debris situation has become irreversible. Even without any additional pieces of Debris emerging, the number of existing ones has reached such a high level, that they cannot decay on their own due to the atmospheric drag. On the contrary, they will increasingly collide and produce new fragments, further endangering the property of operating Space missions, Space Stations and the well-being of astronauts. Having this challenge in mind, the paper will discuss how the growing number of Space Debris impacts third-party-liability insurance.

Space activities are very costly. In order to launch a satellite into Outer Space several hundred millions of Euros are required. Taking into consideration this and the fact that missions are exposed to high level of risk, there was a need for insurance policies. Since 1965 Space insurance exists and its main focus were risks on the ground. Over time this expended to covering damage under “all risks except” type policies with generally 12 months cover, which guarantee satellites ability to achieve their missions. Space insurance has further developed specialty insurance to cover accidental damage and third-party-liability.

Legal obligations for liability exist under both international and national law. The 1967 Outer Space Treaty and the 1972 Liability Convention include liability provisions. Furthermore, national Space Laws provide also liability regimes (e.g. Great Britain Outer Space Act, 1986; French Law Relative to Space Operations, 2008). Space third-party-liability insurance covers the financial consequences of the liability of the insured in case of damages caused to third party due to the Space activity of the insured. However, this is not a sufficient coverage with the increasing number of Space Debris and a crucial question remains unanswered: if in the case of damages caused by a Space Debris, would an insurance cover be available for the launcher of Debris or spacecraft Debris. Future regulations for the mitigation of non functional Space objects have to lead to the conformity of current insurance policies with such regulations. In the light of this, aim of the paper is to clarify the allocation of liability for damages caused by Space Debris and to clarify the legal environment from the insurers’ view.